



NEWS RELEASE

**STATE BOARD
OF EQUALIZATION**

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FOR IMMEDIATE RELEASE

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NEW TAX RATES TAKE EFFECT ON OCTOBER 1, 2005

The California State Board of Equalization is reminding California taxpayers that local sales and use tax rates for the City of Ukiah and Madera County will be changing effective October 1, 2005.

Madera County's local sales and use tax rate will lower to 7.25% on October 1, 2005. The voter approved 0.50% Madera County Transit Authority Tax, which collected funds for transportation since 1990, will expire on September 30, 2005.

Voters in the City of Ukiah recently approved the City of Ukiah Transactions and Use Tax, a local tax which will raise the applicable tax rate within the city from 7.25% to 7.75% on October 1, 2005. The tax rate for areas of Mendocino County outside the City of Ukiah will not change.

Local sales and use taxes fund programs at the city or county level for police, fire, public safety, hospitals, transportation, and other general purposes.

The new sales and use tax rate applies to:

- Merchandise sold and delivered within the district by retailers located within the district, or sold by retailers located outside the district for use in the district. Retailers located outside the district, but considered to be engaged in business in the district must collect the district use tax from the purchaser. Note: Retailers are considered to be engaged in business in the district if they (1) have any type of business location there, (2) deliver into the district using their own vehicles, or (3) have an agent or representative in the district for the purpose of taking orders, selling, delivering, installing, or assembling.
- Sales of vehicles, vessels, or aircraft to customers who register them to an address located in the district.
- Lease payments received for leased property used by the lessee in the district.

If the out-of-district retailer does not collect the applicable district use tax, the purchaser must report and pay the district use tax to the Board.

The five-member California State Board of Equalization is a publicly elected tax board, and is comprised of Betty T. Yee of San Francisco, Acting Member, First District; Bill Leonard of Sacramento/Ontario, Second District; Claude Parrish of Long Beach, Third District; Chair John Chiang of Los Angeles, Fourth District; and State Controller Steve Westly.

The Board collects more than \$44 billion annually in taxes and fees supporting state and local

government services. It hears business tax appeals, acts as the appellate body for franchise and personal income tax appeals, and plays a significant role in the assessment and administration of property taxes.

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